

USA Capital

First Trust Deed Investment

Borrower: John and Carol King

Loan Amount: \$ 12,000,000

Rate: 12.0% (net) interest paid monthly

Maturity: 12 months

Collateral: First Deed of Trust on approximately 99.5 acres located San Luis Obispo, California. The property is mapped for 150 lots ranging in size from 5,000 to 6,000 square feet.

The Project: This project, generally known as Margarita Annex, consists of 150 lots that are currently being mapped; with a final map expected in 1st quarter 2005. There is currently a purchase and sale agreement in place with Midland Pacific Building Corporation, who will purchase 125 lots on completion of final map. Homes will range in size from approximately 1,700 square feet to approximately 2,000 square feet, with pricing from approximately \$400,000 to over \$500,000.

This project has been annexed into the city of San Luis Obispo, and project is well positioned because San Luis Obispo has a dearth of lots due to "growth management" policies. The median home price in San Luis Obispo County is now in excess of \$300,000.

Loan to Value: Approximately 64% bases on a third-party purchase and sale agreement with Midland Pacific Building Corporation. The agreement is set at \$125,000 per mapped lot.

About the Borrower: The Borrower on this project is John King, who is a long-time developer and property owner on the California Central Coast. Mr. King has extensive land holdings in the area, including several boutique hotel properties. His reported net worth is in excess of \$70 million.

Tom Hantges

702-734-2400

Licensed by the State of Nevada Division of Mortgage Lending
USA Commercial Mortgage Company 4484 S. Pecos Rd, Las Vegas NV 89121

License #MB 02158 7/15/2004

Joe Milanowski

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Exit Strategy: This loan will be from a bulk sale to a third-party builder at final map.

Guarantees: John King and Carole King will personally guarantee repayment of the loan.

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